

# Optimizing IoT Data for Product/ Service Individualization

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Mary Murray was at a skiing point when she received a temporary insurance coverage for her valuables from her insurer on her smart phone. Clicking on the offer, she ensures that her valuables would be taken care of while she is away. All she has to do now is click open the offer and follow a few steps to complete the process. How did her insurer know where she was and what she needed? All thanks to IoT. Sensor devices fitted at the skiing range and her mobile GPS sent her location and activity information to her insurers. Using this data they devised an individualized one time plan for her and got her hooked. Her insurance is a click away. Things couldn't have been easier for Mary. Connected devices, namely sensors, smart phones, computers, smart CCTV cameras have made it easier for the banking and financial sector to provide individualized services to customers like Mary. Thanks to connected technology Mary's insurers, bank and other financial service providers know her requirements before she has to reach out to them. This connectivity helps the financial service providers devise offers she can't refuse. She gained what she required, the service provider strengthened their brand loyalty in the long run.

Marketing strategies are either a hit or a miss. If you devise a strategy without knowing your regular customer, it will probably end up being only misses and more misses. Every time Mary has been to the bank, and used your mobile app or web page to conduct her purchases, she has given you heaps of information about her. If you just connect the dots you'll find a picture of her relationship with the bank, her financial needs, their changes and new additions.

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## IOT - CONNECTING THE DOTS AND INDIVIDUALIZING CUSTOMER EXPERIENCE

There are many devices to help you connect the dots like sensors, POS, web and mobile applications. These are adequately and generously flooding your data storage with information. This information needs sorting to get a profile of your customer and their expectations. Gartner forecasts that the usage of connected things will reach 20.8 billion by 2020. Also that, 5.5 million things will get connected every day in 2016. Customers are looking forward to a 'Phygital' experience and rightly demanding it. The right analytics will not only help you retain customers but will also bring in new ones with targeted marketing. Recently technology company Edo has entered a partnership with Visa Europe. They have introduced Edo's patented cards for card linked marketing offers. These cards when used will provide the customers with instantly redeemable offers from the stores they are in. With such tailored services for individuals, people are bound to look forward to choosing you over competitors. Every message will generate a click and response.



### CUSTOMER 720

People expect seamless experiences now, when they buy a car, they expect that by analyzing their data their banks will automatically offer them insurance. Customers expect you to know even their last minute decisions. Thankfully, digital devices like smart phones and digital bracelets (i.e. apple watch) help you keep track of their decision making processes so that you are ready. IoT helps you not only to get internal data about each customer using your own pages and transaction history, it also helps you to keep track of data like social media, news and customer discussions about your product and services. You know every time your product or brand is being mentioned. You get a 720 degree view of the customer with both your internal channels and from public channels that you don't own. In today's data driven marketing scenario IoT enables you to achieve the data that helps you to provide effective customer engagement.



### TARGETED MARKETING

Even in a diverse demographic area, with connected devices, you are able to form marketing strategies that would bring in new customers. The strength of marketing lies in knowing who you are marketing for. Analyzing IoT data will give you a finer picture of the target customers in the market along with their buying habits. Take telematics for instance, fitted into a car this device will provide data to the insurance provider about the driving quality of the driver. How many miles does he cover? Is he a reckless driver? Does he abide by speed limits? Now, an insurer can charge him based on those parameters, rather than generalizing all good and bad drivers alike. The insurer can also plan and offer rewards for good drivers and gain loyalty. Another way IoT is helping targeted marketing is by product and service tracking. By tracking the reaction of market and individual customers about a specific product or service, they are better able to make it fit for each person.



### INDIVIDUALIZE WITH IOT

"In the world of internet customer service, it's important to remember your competitor is only one mouse click away" – Doug Warner, Internet enthusiast. Instead of generalizing the customization, you can give a more holistic experience to your customers. You know Mary's educational background, what kind of job she is doing and her eligibility and interest in a loan. You can form a package that tells her, she's not one among many, her needs are your priority and you know exactly what she needs. Before she herself discovers what to do about her needs, you take care of them, winning her loyalty for good. What better advertisement than a satisfied customer?

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Customization will only generalize your customers' needs. Like the same health insurance for a particular age group in an area. Individualization will form tailor-made offers for each of them giving them a feeling of recognition rather than anonymity. Using wearable gears like health monitors can provide crucial health information to your insurers, this can help them understand your needs and prepare plans for you. Using sensors in real estates, use of electricity and water could be controlled, cutting down on bills. Also, with the help of data gathered from connected devices, you'll be able to forecast what up sale and cross sale you may make with every customer.



## DATA SECURITY

Customers expect you to provide hassle free transaction options. That explains the growing number of people opting for mobile banking and contactless payment options. However, when they are allowing you to track them and provide them such ease of access, they are equally expecting high levels of security. Banks like HSBC are opting for biometric identification for their customers using mobile apps to ensure safety. Others are using GPS to track transactions made by customers and compare them with their geographical locations to detect frauds. Capco, provider of security facilities to banks uses sensors which can identify unusual heart rates and body temperature from customers to identify threats at banks. Thanks to big data analytics and connected devices these individuals then can be tracked and the authorities informed if needed.



## CUSTOMER SATISFACTION

"The customer experience is the next competitive battleground" – Jerry Gregoire, former Dell CIO. Data is the virtual asset waiting to be exploited. It is the information mine that can help bring in the revenue with the right analytics. According to a recent Datameer survey 48% of the companies are using big data analytics for customer analytics. Data collected from sensors and website activities present them with personalized offers on products you know they'll buy. With smart phones and beacons, you know when your customer is in the proximity of your bank. You can easily pre-queue customers before they arrive and provide them Wi-Fi while they wait.

From smart homes with connected devices, from the humidifier to the alarm clock, to self-driving cabs (Uber recently launched), IoT is the need of the hour in all industries. With the best tools and technologies at hand, providing a better individualized experience to your customers should naturally be the next thing to do. However the package comes with its own challenges. Avoiding the Analysis Paralysis is among the major challenges. Knowing which data to discard and which to keep, also devising effective marketing strategies using that information needs to be part of the plan. Using beacon and geo tracking, financial organizations can offer tailored services when a customer walks into a car dealership, shopping mall or restaurant. Insurance providers can send texts with timely offers when customers are travelling to adventurous places or visiting a doctor. With the growing number of IoT devices and more businesses taking to big data analytics, individualization of products and services is what the future holds.

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